

EXHIBIT 1

INTRODUCTION

Respondent Maria Moreno was an unsuccessful incumbent candidate for the Placentia City Council in the November 7, 2000 General Election. Respondent Committee to Elect Maria Moreno (the “Committee”) is the controlled committee of Respondent Maria Moreno. Respondent Paul Berger serves as the treasurer of Respondent Committee.

The Political Reform Act (the “Act”)¹ requires candidates who are running in an election, and their controlled committees, to file campaign statements before and after the election. In this matter, Respondents failed to timely file a second pre-election campaign statement, a late contribution report, and a post-election semi-annual campaign statement, as required by the Act.

For the purposes of this Stipulation, Respondents’ violations are stated as follows:

COUNT 1: Respondents failed to file a pre-election campaign statement, by October 26, 2000, for the reporting period October 1 to October 21, 2000, in violation of Section 84200.5.

COUNT 2: Respondents failed to file a late contribution report, by November 4, 2000, disclosing an \$8,000 loan from Respondent Maria Moreno, in violation of Section 84203.

COUNT 3: Respondents failed to file a semi-annual campaign statement, by January 31, 2001, for the reporting period October 21 to December 31, 2000, in violation of Section 84200, subdivision (a).

RESPONDENTS: Maria Moreno, Committee to Elect Maria Moreno, and Paul Berger

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (a), is to assure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters will be better informed, and so that improper practices will be inhibited. To that end, the Act sets forth a comprehensive campaign-reporting system to accomplish this purpose of disclosure.

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission appear at California Code of Regulations, Title 2, sections 18109-18996. All regulatory references are to Title 2 of the California Code of Regulations.

Duty to File Pre-election Campaign Statements

Section 84200.5 requires candidates and their controlled committees to file two pre-election campaign statements, disclosing contributions received and expenditures made before the election in which the candidate is running. Section 84200.7, subdivision (b), sets forth the pre-election filing schedule for November elections held in even-numbered years. For the reporting period ending on September 30, the filing deadline is October 5. For the reporting period ending 17 days before the election, the filing deadline is 12 days before the election.

Duty to File Late Contribution Reports

Under Section 84203, subdivision (a), when a candidate or his or her controlled committee receives a late contribution, the candidate and the committee must file a late contribution report within 24 hours of receiving the contribution. Section 82036 defines a “late contribution” as a contribution (including a loan) aggregating \$1,000 or more that is received before an election, but after the closing date of the last pre-election statement. Under Section 84200.8, subdivision (b), the late contribution period covers the last 16 days before the election.

Duty to File Semi-annual Campaign Statements

Section 84200, subdivision (a) requires candidates and their controlled committees to file two semi-annual campaign statements each year. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year. Under Section 84214, as interpreted by Regulation 18404, candidates and their controlled committees may only end their filing obligations by filing a statement of termination.

Duties of a Treasurer

Under Section 81004, subdivision (b), Section 84100, and Regulation 18427, subdivision (c), it is the duty of a committee’s treasurer to ensure that the committee complies with all of the requirements of the Act concerning the receipt and expenditure of funds, and the reporting of such funds. A committee’s treasurer may be held jointly and severally liable, along with the committee, for any reporting violations committed by the committee. (Sections 83116.5, 91006.)

SUMMARY OF THE FACTS

Respondent Maria Moreno was an unsuccessful incumbent candidate for the Placentia City Council in the November 7, 2000 General Election. Committee to Elect Maria Moreno is the controlled committee of Respondent Maria Moreno. Respondent Paul Berger serves as the treasurer of Respondent Committee.

COUNT 1

Failure to File a Second Pre-election Campaign Statement

Before the November 7, 2000 election, Respondents had a duty to file two pre-election statements. The first pre-election statement, covering the reporting period July 1 to September 30, 2000, was due by October 6, 2000. The second pre-election statement, covering the reporting period October 1 to October 21, 2000, was due by October 26, 2000. Respondents timely filed a first pre-election statement, but failed to timely file the second pre-election statement by the October 26, 2000 due date, in violation of Section 84200.5.

COUNT 2

Failure to File a Late Contribution Report

On November 3, 2000, four days before the November 7, 2000 election, Respondent Maria Moreno made a personal loan of \$8,000 to her controlled committee. Within 24 hours of receiving the loan, Respondents were required to report the loan on a late contribution report, but failed to do so, in violation of Section 84203.

COUNT 3

Failure to File a Post-election Semi-annual Campaign Statement

After the election, Respondents had a duty to file a semi-annual campaign statement, covering the reporting period October 21 to December 31, 2000, by January 31, 2001.

On January 4, 2001, Placentia Deputy City Clerk Marie M. Macias sent a letter to Respondents reminding them to file the semi-annual campaign statement by January 31, 2001. On January 23, 2001, Ms. Macias sent a second letter to Respondents reminding them that their semi-annual campaign statement was due by January 31, 2001. In spite of these reminders, Respondents failed to file the semi-annual campaign statement by the January 31, 2001 filing due date. When Respondents failed to timely file the January 31, 2001 semi-annual campaign statement, the Placentia City Clerk's Office referred the matter to the Enforcement Division of the Fair Political Practices Commission.

On March 14, 2001, Political Reform Consultant Linda Moureaux of the Enforcement Division left a voice mail message for Respondents, advising them to contact Ms. Macias regarding their late campaign statements. On July 17, 2001, Supervising Investigator Sue Straine of the Enforcement Division left a second voice mail message for Respondents, advising them to file the late campaign statements.

On September 7, 2001, Respondents filed their overdue second pre-election campaign

statement, and their overdue post-election semi-annual campaign statement. The second pre-election statement was filed 9 months late, and reflects that Respondents received \$1,995 in contributions, and made \$2,435 in expenditures during the second pre-election reporting period. The post-election semi-annual statement was filed 7 months late, and reflects that Respondents received \$10,647 in contributions, and made \$16,550 in expenditures, during the post-election semi-annual reporting period.

ADDITIONAL INFORMATION

Respondent Maria Moreno is a sophisticated candidate. She was a member of the Placentia City Council for 11 years. In connection with the November 7, 2000 election, Respondents received a total of \$21,892 in contributions, and made a total of \$26,633 in expenditures.

Respondent Maria Moreno contends that her failure to timely file required campaign statements was influenced in part by her stress and anxiety as a result of an unexpected negative campaign waged against her. During the course of the 2000 election, her opponents filed two lawsuits against her, in which she ultimately prevailed, and a disgruntled zoning applicant before the city harassed and threatened her. Respondent Maria Moreno perceived that during the election her safety was in jeopardy.

CONCLUSION

This matter consists of three counts, which carry a maximum possible administrative penalty of Nine Thousand Dollars (\$9,000).

Regarding Count 1, the typical stipulated administrative penalty for the late filing of a pre-election campaign statement ranges from \$1,000 to \$2,000 per statement. As Respondent Maria Moreno was an experienced candidate, an administrative penalty at the higher end of the penalty range is appropriate.

Regarding Count 2, under the Commission's streamlined LCR enforcement program, the approved administrative penalty is 15 percent of the amount of the undisclosed contributions in each report. As the late contribution which is the subject of Count 2 was from Respondent Maria Moreno herself, and not some previously unknown contributor, imposition of the standard penalty for that violation is appropriate.

Regarding Count 3, the typical stipulated administrative penalty for the late filing of a post-election semi-annual campaign statement ranges from \$500 to \$1,500 per statement. As Respondent Maria Moreno was an experienced candidate, an administrative penalty at the higher end of the penalty range is appropriate.

The facts of this case therefore justify imposition of the agreed upon penalty of Three Thousand Eight Hundred Dollars (\$3,800).